



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

NUMBER: 481.12.178

CONVERSION DATE: July 1, 1998

SALES OR USE TAX APPLICABLE TO ITEMS BOTH LEASED AND USED FOR PERSONAL USE

Issued July 31, 1974

RCW 82.12.020 imposes a use tax upon

. . . the privilege of using within this state as a
consumer any article of tangible personal property . . .

A person who purchases an article of tangible personal property for resale or lease without intervening use need not pay the sales or use tax. However, no such exemption exists for a purchaser who both leases the article and uses it for personal purposes. Therefore, the Department holds the sales or use tax to be applicable to the purchase or use of any item of tangible personal property used by the purchaser for both leasing and personal purposes. The measure of the tax is the entire purchase price, or value of the article used. The tax is not applied pro rata on the basis of the comparative percentages of personal and leasing use.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

To inquire about the availability of receiving this document in an alternate format for the visually impaired or language other than English, please call (360)753-3217. Teletype (TTY) users please call 1-800-451-7985.

Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov